



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

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The following constitutes the ruling of the court and has the force and effect therein described.

Signed December 11, 2017


United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:

Chapter 11

Rincon Island Limited Partnership,

Case No. 16-33174-HDH

Debtor

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Order Granting Motion for Order Approving Agreement for  
Chapter 11 Trustee to Convey Debtors' Leasehold Interests by  
Quitclaim Deed with Respect to Shoreside Leases  
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On November 28, 2017 California State Lands Commission (the “**Commission**”) filed its *Agreed Expedited Motion for Order Authorizing Trustee to Convey Leasehold Interests by Quitclaim* (the “**Motion to Convey**”) (Docket No. 329).

On November 30, 2017 West Energy Offshore Ltd. and Punta Gorda Resources LLC filed an objection to the Motion to Convey. Also on November 30, 2017 the Court held a hearing on the Motion to Convey.

On December 5, 2017 the Court entered an order granting the Motion to Convey primarily with respect to the Rincon Island Lease (as defined in the Motion to Convey), (Docket No. 338) (the “**Rincon Island Lease Order**”).

On December 7, 2017 the Court held a hearing on the Motion to Convey with respect to the Shoreside Leases.

Upon consideration of the Motion to Convey and after hearing argument with respect to the issues not addressed in the Rincon Island Lease Order, the Court finds as follows:

A. The Court has jurisdiction under 28 U.S.C. § 1334(b). The Court can hear and determine this matter in accordance with 28 U.S.C. § 157 and the standing order of reference entered by the United States District Court for the Northern District of Texas. This matter is a core proceeding under 28 U.S.C. § 157(b)(2), and venue for the Motion to Convey is proper in this district under 28 U.S.C. §§ 1408 and 1409.

B. The relief granted herein is in the best interest of the estate.

C. No cause exists to delay the implementation of this Order.

THEREFORE, IT IS ORDERED THAT:

1. With respect to the Shoreside Leases (as defined in the Motion to Convey), the agreement reached among the Commission, the Chapter 11 Trustee, and UBS regarding conveyance of the Debtor's interest in the Shoreside Leases by quitclaim deed is approved (the "**Conveyance**"), and the Chapter 11 Trustee is authorized to effect the Conveyance.

2. Upon Conveyance, the Commission is authorized to take possession of and control over the Shoreside Leases.

3. The lands that are the subject of the Conveyance will become a part of the California Coastal Sanctuary, and as a result, pursuant to California Public Resources Code Section 6243, the Commission must not assign or relet said lands to any third party for oil and gas production.

4. Nothing in this Order will prevent any person or entity¹ (other than the Trustee, the Debtor, or the Debtor's estate) from asserting its rights, liens, or claims, if any exist, in the Leases (as defined in the Motion to Convey). The right of the Commission to contest such assertion by any person or entity of rights, liens, or claims in the Leases is fully reserved.

5. The terms of this Order will be binding on the parties and all of their respective successors and assigns from the date of its entry by the Court.

6. This Court retains jurisdiction to hear and determine matters and disputes arising from the implementation of this Order.

¹ Including UBS, GLR, LLC, West Energy Offshore, or Punta Gorda Resources.

7. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a) and is effective immediately upon entry notwithstanding Federal Rule of Bankruptcy Procedure 4001(a)(3) or any other Federal Rule of Bankruptcy Procedure to the contrary.

END OF ORDER # #

Submitted by:

/s/ Judith W. Ross

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